# WEEKLY ECONOMIC REVIEW

**July 4, 2008**

After two consecutive monthly declines, Canada's real gross domestic product (GDP) in April grew by 0.4% from March due to gains in both the goods and services sector. Within the goods-producing sector, the rebound in manufacturing, which was largely fuelled by a recovery in motor vehicle production, managed to offset the declines in other sub-sectors. Meanwhile, gains in wholesale trade, retail trade, and finance led the growth in the services sector.

The number of business and consumer bankruptcies in Alberta was 483 in May, down 2.4% from April. For the 12-month period ending May, total bankruptcies fell by 1.1% to 5,339 compared to the same period last year with the decline in business bankruptcies (-28.3%) more than offsetting the increase in consumers (+2.0%). On a national basis, total bankruptcies grew by 2.6% with Ontario and Quebec accounting for most of the increase.

The U.S. labour market continues to weaken as employment fell for the sixth consecutive month, declining 62,000 in June. This brought the cumulative job losses to 438,000 in 2008. The unemployment rate held steady at 5.5% in June. Despite soaring food and energy prices, average hourly earnings remained subdued, growing by 3.4% year-over-year, down from the 3.5% growth recorded in May.

**Cdn Dollar (US¢/CS)**

| | |
|---|---|
| July 4, 2008 | 98.5 |
| June 27, 2008 | 98.8 |
| 2008-09 YTD | 99.0 |

**WTI Oil US$/bbl**

| | |
|---|---|
| July 3, 2008 | $ 145.29 |
| June 26, 2008 | $ 139.64 |
| 2008-09 YTD | $ 124.67 |

**Nymex Natural Gas CS/MMBtu ***
**August Contract**

| | |
|---|---|
| July 3, 2008 | $ 13.59 |
| June 27, 2008 | $ 13.53 |

*Estimate based on Nymex Futures Market Price

Oil prices hit US$145.85/bbl during Thursday's trading before closing at a new record high of US$145.29. The rally was propelled by news of escalating tensions between Israel and OPEC nation Iran, weak U.S. inventory data, and comments by Saudi Arabia's oil minister suggesting his country would not boost production.

Despite the rebound in natural gas prices, the number of rigs drilling in Alberta in the first six months of 2008 fell by 8.1% compared to the same period last year due to wet weather conditions which hampered activity in recent months.

| Economic Indicators Released this Week | Reference Period | Month/Previous Month (M/M) | Month/Previous Year's Month(Y/Y) |
|---|---|---|---|
| **Canada Real Gross Domestic Product, at basic prices [2]** | **April** | | |
| **Selected Industries** | **(2002 dollars, billions)** | | |
| Agriculture | 26.7 | 0.2 | -2.1 |
| Mining | 56.1 | -1.5 | -4.0 |
| Construction | 77.2 | -0.7 | 1.5 |
| Manufacturing | 176.1 | 1.9 | -5.5 |
| Retail Trade | 75.2 | 0.6 | 4.8 |
| Wholesale Trade | 73.8 | 2.1 | 6.0 |
| Finance | 246.0 | 0.2 | 3.3 |
| Transportation | 57.2 | 1.0 | 1.9 |
| Public Administration | 69.4 | 0.2 | 2.6 |
| **TOTAL** | 1,232.0 | 0.4 | 1.2 |

Source: Statistics Canada. [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted at annual rates.